GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA

STARRED QUESTION NO:182
ANSWERED ON:04.08.2006
CLEAN ADMINISTRATION OF LOCAL BODIES
Scindia Shri Jyotiraditya Madhavrao

Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether Government has evolved a strategy to ensure clean administration at the Local Government level for a planned and balanced urban renewal;

(b) if so, the details thereof; and

(c) the concrete steps taken/ proposed to be taken thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI AJAY MAKEN)

(a)to(c): A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 182 FOR 04.08.06 REGARDING CLEAN ADMINISTRATION OF LOCAL BODIES

(a)to(c): Yes Sir. The Government has launched Jawaharlal National Urban Renewal Mission (JNNURM), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP) to ensure clean administration at the local level for planned and balanced urban renewal. Under these schemes, reform linked Central assistances shall be provided to cities to improve urban infrastructure and governances and ensure basic services for urban poor. A provision of Rs.50,000 crore has been made for these schemes over a period of seven years viz. 2005-06 to 2011-12. In the current year, a provision of Rs. 4595.93 crore (excluding Union Territories without legislature) has been made in budget.

To access funds under these schemes, the State Governments and Urban Local Bodies (ULBs) have to undertake certain mandatory as well as optional reforms. Details of reforms to be undertaken by the State Governments/Urban Local Bodies are at Annexure I.

Objectives of the reforms are to improve financial health of the local bodies, proper operations and maintenance of assets created, improvement of urban governance and service delivery.

Reforms to be undertaken by the State Governments/ULBs are aimed at achieving the following:

1. Devolution of financial/administrative powers to the local-self Governments.

2. Involvement of the people/community in urban planning and governance through enactment of Community Participation Law.

3. Ensuring transparency and accountability through enactment of Public Disclosure Law.

4. Adoption of modern accounting and budgeting system by the local bodies.

5. Introduction of e-governance using IT applications like GIS and MIS for various services provided by the local bodies.

6. Reform of property tax administration to augment finances of the local bodies.

7. Levy of reasonable user charges by the local bodies for various services provided by them to the citizens.

8. Provision of basic services to the urban poor.

The State Governments and Urban Local Bodies have to enter into a Memorandum of Agreement (MoA) with Government of India committing themselves to implement reforms.

The details of JNNURM are at Annexure-II.

To implement the Mission, the following steps have already been taken :-

* Suggestive list of consultants for preparation of City Development Plans (CDPs) have been commended to the State Governments/Urban Local Bodies.

* Agencies have been empanelled for appraisal of City Development Plans and Detailed Project Reports.

* Agencies have been empanelled for monitoring of milestones envisaged under Memorandum of Agreements.

* Regional Workshops have been/ are being organized to sensitize municipal functionaries.

* 22 City Development Plans have been appraised and 11 are under appraisal.

* Memorandum of Agreements have been signed with seven States (Andhra Pradesh, Gujarat, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu and West Bengal) and 18 cities.

* So far 7 meetings of the Central Sanctioning and Monitoring Committee have been held. In these meetings 58 projects with an approved total cost of Rs. 2252.22 crore have been sanctioned. Rs. 265.93 crore have been sanctioned as first instalment of Additional Central Assistance (ACA) of which an amount of Rs. 205.22 crore has been released so far.

ANNEXURE-I

1. MANDATORY REFORMS

There will be two sets of mandatory reforms. Core reforms at ULB/Parastatal level aims at process re-engineering through

deployment of technology to enable more efficient, reliable, timely services in a transparent manner. The other set of reforms are framework related at State level.

1.1 Urban Local Body / Parastatal level Reforms

i. Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies/Parastatals

ii. Introduction of system of e-governance using IT applications like, GIS and MIS for various services provided by ULBs/Parastatals.

iii. Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85% within next seven years.

iv. Levy of reasonable user charges by ULBs/Parastatals with the objective that full cost of operation and maintenance or recurring cost is collected within next seven years. However, cities/towns in North East and other special category States may recover at least 50% of operation & maintenance charges initially. These cities/towns should graduate to full O&M cost recovery in a phased manner.

v. Internal earmarking within local body, budgets for basic services to the urban poor.

vi. Provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the Government for education, health and social security.

1.2 State Level Reforms

i. Implementation of decentralization measures as envisaged in 74th Constitution Amendment Act. States should ensure meaningful association/engagement of ULBs in planning function of parastatals as well as delivery of services to the citizens.

ii. * Repeal of Urban Land Ceiling and Regulation Act.

iii. * Reform of Rent Control Laws balancing the interests of landlords and tenants.

iv. Rationalisation of Stamp Duty to bring it down to no more than 5% within next seven years.

v. Enactment of Public Disclosure Law to ensure preparation of medium-term fiscal plan of ULBs/Parastatals and release of quarterly performance information to all stakeholders.

vi. Enactment of Community Participation Law to institutionalize citizen participation and introducing the concept of Area Sabha in urban areas.

vii. Assigning or associating elected ULBs with "city planning function". Over a period of seven years, transferring all special agencies that deliver civic services in urban areas to ULBs and creating accountability platforms for all urban civic service providers in transition.

*Note: In respect of schemes relating to water supply and sanitation, the under mentioned State level mandatory reforms may be taken as optional reforms:-

i. Repeal of Urban Land Ceiling Act

ii. Reform of Rent Control Act

2. OPTIONAL REFORMS (Common to State and ULBs/Para-statals)

i. Revision of bye-laws to streamline the approval process for construction of buildings, development of sites etc.

ii. Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.

iii. Introduction of Property Title Certification System in ULBs.

iv. Earmarking at least 20-25% of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross subsidization.

v. Introduction of computerized process of registration of land and property.

vi. Revision of bye-laws to make rain water harvesting mandatory in all buildings and adoption of water conservation measures.

vii. Bye-laws for reuse of recycled water.

viii. Administrative reforms i.e. reduction in establishment by bringing out voluntary retirement schemes, non-filling up of posts falling vacant due to retirement etc., and achieving specified milestones in this regard.

ix. Structural reforms

x. Encouraging Public Private Partnership

NOTE: Any two optional reforms to be implemented together by State & ULBs/Parastatals in each year.

ANNEXURE-II

DETAILS OF JNNURM AND ITS OBJECTIVES

* The Mission comprises two sub-missions, viz., Sub-Mission-I for Urban Infrastructure and Governance and Sub-Mission-II for Basic Services for the Urban Poor.

* The Mission provides focussed attention to 63 select cities in different States.

* For cities/towns not covered under the Mission, the Ministry of Urban Development has launched a scheme known as Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) while the Ministry of Urban Employment & Poverty Alleviation has formulated a scheme known as Integrated Housing and Slum Development Programme (IHSDP).

* The following on-going schemes of the Ministries of Urban Development and Urban Employment & Poverty Alleviation have been subsumed in JNNURM :-

  i) Infrastructure Development in Mega cities.

  ii) Integrated Development of Small & Medium Towns.

  iii) Accelerated Urban Water Supply Programme.

  iv) Urban Reform Incentive Fund

* Provision of Central assistance is linked to implementation of certain mandatory as well as optional reforms at the State and ULB/Parastatal levels.

* Implementation of all mandatory and optional reforms has to be completed during the Mission period of 7 years beginning from 2005-06.

* Central assistance is in the form of 100% grant to be funded as Additional Central Assistance (ACA).

* Cities have to prepare City Development Plans (CDPs) and Detailed Project Reports (DPRs).

* 5% of the Central grant or actual requirement, whichever is less, is provided for preparation of City Development Plans, Detailed Project Reports, Capacity Building, Information, Education and Communication (IEC) activities etc.

* Signing of Tripartite Memorandum of Agreement (MoA) by the State Governments and Urban Local Bodies/Parastatals with Central Government is a necessary condition to access Central funds. MoA should indicate commitments and milestones to be achieved in the implementation of reforms at the State & ULB/Parastatal levels.

* FINANCING PATTERN

  Depending upon population, geographical location of the cities and category to which a city belongs, fund is provided as indicated below:-

  (i) 35% / 50% / 80% / 90% of the cost of projects would be funded by Govt. of India through 100% ACA and

  (ii) 65% / 50% / 20% / 10% would be funded by State/ULBs/Financial Institutions.

* Funds to be released in four installments.

* First installment shall be released on signing of MoA and approval of City Development Plans (CDPs)/Detailed Project Reports (DPRs).

* Release of subsequent installment to be linked to achievement of reform/milestones and progress of projects.

* A provision of Rs.50,000 crore will be made available as Central assistance over the Mission period.

OBJECTIVES OF JNNURM ARE :

1. To provide focused attention to integrated development of infrastructural services in the cities.

2. To secure effective linkages between asset creation and asset management so that the infrastructural services created in the cities are not only maintained efficiently but also become self-sustaining over time.

3. To ensure adequate investment of funds to fulfill deficiencies in the urban sector.

4. To have planned development of identified cities including peri-urban areas, out growths, urban corridors.

5. To scale up delivery of civic amenities and provision of

utilities with emphasis on universal access to urban poor.

6. To take up urban renewal programme, i.e., re-development of inner (old) cities area to reduce congestion.

7. LIST OF CITIES COVERED UNDER JNNURM ARE:-

Name of State	Name of City	Population (in lakh)
Andhra Pradesh	Hyderabad	57.42
	Vijayawada	10.39
	Visakhapatnam	13.45
Arunachal Pradesh	Itanagar	0.35
Assam	Guwahati	8.19
Bihar	Bodh Gaya	3.94
	Patna	16.98
Chandigarh (UT)	Chandigarh	8.08
Chhattisgarh	Raipur	7.00
Delhi	Delhi	128.77
Goa	Panaji	0.99
Gujarat	Ahmedabad	45.25
	Rajkot	10.03
	Surat	28.11
	Vadodara	14.91
Haryana	Faridabad	10.56
Himachal Pradesh	Shimla	1.45
Jammu & Kashmir	Jammu	6.12
	Srinagar	9.88
Jharkhand	Dhanbad	10.65
	Jamshedpur	11.04
	Ranchi	8.63
Karnataka	Bangalore	57.01
	Mysore	7.99
Kerala	Cochin	13.55
	Thiruvananthapuram	8.90
Madhya Pradesh	Bhopal	14.58
	Indore	16.40
	Jabalpur	10.98
	Ujjain	4.31
Maharashtra	Greater Mumbai	164.34
	Nagpur	21.29
	Nanded	4.31
	Nashik	11.52
	Pune	37.60
Manipur	Imphal	2.50
Meghalaya	Shillong	2.68
Mizoram	Aizawal	2.28
Nagaland	Kohima	0.77
Orissa	Bhubaneswar	6.58
	Puri	1.57
Pondicherry	Pondicherry	5.05
Punjab	Amritsar	10.03
	Ludhiana	13.98
Rajasthan	Ajmer-Pushkar	5.04
	Jaipur	23.27
Sikkim	Gangtok	0.29

Name of State	Name of City	Population (in lakh)
Tamil Nadu	Chennai	65.60
	Coimbatore	14.61
	Madurai	12.03
Tripura	Agartala	1.90
Uttar Pradesh	Agra	13.31
	Allahabad	10.42
	Kanpur	27.15
	Lucknow	22.46
	Mathura	3.23
	Meerut	11.61
	Varanasi	12.04
Uttaranchal	Dehradun	5.30
	Hardwar	2.21
	Nainital	2.20
West Bengal	Asansol	10.67
	Kolkata	132.06